



Manufacturers' Shipments, Inventories, and Orders

March 1974



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SUMMARY

New orders for manufactured products in March decreased \$430 million or 0.5 percent to \$79.59 billion from \$80.02 billion in February after seasonal adjustment. Shipments increased \$430 million or 0.6 percent to \$78.31 billion from \$77.88 billion in February. Unfilled orders increased \$1.28 billion or 1.1 percent to \$121.10 billion at the end of March. Manufacturers' inventories increased \$1.24 billion or 1.0 percent to \$126.07 billion at the end of March. The inventories to shipments ratio increased from 1.60 to 1.61.

For the 3 months ending in March, the average month-to-month change in new orders increased 1.2 percent compared with a 0.8 percent increase for the 3 months ending in December and 0.1 percent decrease for the 3 months ending in September.

NEW ORDERS

New orders for durable goods decreased \$1.03 billion or 2.4 percent to \$42.12 billion in March, primarily due to decreases in the aerospace industries (\$690 million), electrical machinery (\$545 million), shipbuilding and railroad equipment (\$395 million), and fabricated metals (\$280 million). These decreases were partially offset by increases in nonelectrical machinery (\$580 million) and primary metals (\$355 million). Among the supplementary series, capital goods industries decreased \$990 million with the nondefense segment decreasing \$320 million and the defense segment decreasing \$670 million.

SHIPMENTS

Shipments of durable goods decreased \$105 million or 0.3 percent to \$40.87 billion in March as decreases were registered in the aerospace industries (\$335 million) and the motor vehicles and parts industry (\$220 million). Shipments of nondurable goods increased \$535 million or 1.4 percent, led by chemicals (\$205 million), petroleum (\$180 million) and apparel (\$170 million).

UNFILLED ORDERS

Unfilled orders of durable goods increased \$1.26 million or 1.1 percent to \$116.06 billion at the end of March, primarily attributable to nonelectrical machinery (\$1.01 billion).

INVENTORIES

Inventories of durable goods increased \$800 million and nondurable goods \$435 million between the end of March and February. At the all manufacturing level, materials and supplies increased \$680 million, work-in-process increased \$270 million and finished goods increased \$290 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for April is scheduled for release on May 21, 1974 and the full report is scheduled for release on May 31, 1974.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233.



U.S. DEPARTMENT OF COMMERCE | Social and Economic Statistics Administration | BUREAU OF THE CENSUS

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Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Mar. 1974 ^D	Feb. 1974 ^T	Jan. 1974	Mar. 1974 ^D	Feb. 1974 ^T	Mar. 1973	Mar. 1974 ^D	Feb. 1974 ^T	Jan. 1974	Mar. 1974 ^D	Feb. 1974 ^T	Mar. 1973
All manufacturing industries:												
Total.....	78,309	77,879	77,187	81,709	78,999	72,843	126,068	124,831	122,570	126,690	125,398	110,837
Total, excluding transportation.....	69,616	68,716	67,735	72,043	69,217	61,989	107,587	106,371	104,231	108,054	106,808	94,072
Durable goods industries, total.	40,871	40,974	40,792	43,269	41,755	40,328	82,726	81,925	80,541	83,220	82,181	72,390
Stone, clay, and glass products.	2,150	2,159	2,125	2,149	1,993	2,061	2,960	2,861	2,863	3,057	2,928	2,577
Primary metals, total.....	6,977	6,881	6,766	7,469	7,061	6,030	9,481	9,523	9,467	9,548	9,624	9,433
Blast furnaces, steel mills.	3,393	3,163	3,220	3,671	3,246	3,012	4,528	4,632	4,691	4,537	4,701	4,925
Nonferrous metals.....	2,637	2,776	2,580	2,795	2,848	2,153	3,606	3,595	3,500	3,653	3,624	3,438
All other primary metals....	947	945	966	1,003	967	865	1,347	1,296	1,276	1,358	1,299	1,070
Fabricated metal products total.....	4,805	4,823	4,780	4,887	4,739	4,403	9,360	9,264	9,023	9,353	9,162	8,196
Metal cans, barrels, and drums.....	566	533	514	548	486	416	925	937	869	918	919	801
Machinery, except electrical, total.....	6,994	6,712	6,649	7,579	7,020	6,294	17,753	17,405	17,021	17,903	17,572	14,969
Engines and turbines.....	574	499	530	674	504	513	1,547	1,516	1,484	1,549	1,545	1,301
Farm machinery and equipment.	660	604	683	790	653	649	1,532	1,532	1,472	1,601	1,593	1,322
Construction, mining, and material handling equipment.	1,315	1,217	1,217	1,417	1,322	1,187	3,500	3,425	3,322	3,542	3,459	2,907
Metalworking machinery.....	497	445	408	556	465	378	1,523	1,510	1,498	1,525	1,514	1,190
General industrial machinery	635	607	600	661	620	521	1,508	1,466	1,456	1,529	1,478	1,306
Electrical machinery, total...	5,552	5,621	5,529	5,697	5,662	5,345	13,060	13,016	12,749	13,038	12,858	10,894
Electrical transmission and distribution equipment and industrial apparatus.....	1,038	1,061	1,090	1,097	1,095	1,024	2,824	2,801	2,798	2,843	2,805	2,360
Household appliances.....	776	743	714	843	723	734	1,234	1,243	1,235	1,226	1,255	1,143
Radio and TV.....	554	595	520	520	569	501	1,193	1,151	1,070	1,125	1,064	933
Communication equipment.....	1,207	1,230	1,186	1,209	1,202	1,151	3,665	3,698	3,637	3,716	3,679	3,049
Transportation equipment, total	8,693	9,163	9,452	9,666	9,782	10,854	18,481	18,460	18,339	18,636	18,590	16,765
Motor vehicles and parts....	4,949	5,167	5,555	5,532	5,762	7,097	5,525	5,616	5,713	5,613	5,734	4,718
Aircraft, missiles, and parts.....	2,567	2,904	2,811	2,868	2,958	2,645	9,986	9,928	9,767	10,078	9,932	9,507
Shipbuilding and railroad equipment.....	415	403	436	428	426	416	2,182	2,092	2,033	2,119	2,057	1,691
Instruments and related products, total.....	1,289	1,281	1,265	1,288	1,240	1,182	3,622	3,581	3,413	3,634	3,551	2,707
Scientific and engineering..	640	625	632	650	632	617	1,872	1,867	1,837	1,874	1,854	1,562
All other instruments and related products.....	649	656	633	638	608	565	1,750	1,714	1,576	1,760	1,697	1,145
All other durable goods industries.....	4,411	4,331	4,226	4,534	4,258	4,159	8,009	7,815	7,666	8,051	7,896	6,849
Nondurable goods industries, total.....	37,438	36,905	36,395	38,440	37,244	32,515	43,342	42,906	42,029	43,470	43,217	38,447
Food and kindred products, total.....	12,678	12,693	12,762	12,885	12,653	11,032	10,909	10,791	10,638	10,772	10,920	9,718
Meat products.....	2,863	2,901	2,961	2,843	2,838	2,729	1,308	1,271	1,264	1,331	1,304	1,012
Fats and oils.....	1,111	1,099	1,084	1,111	1,163	742	792	812	779	837	868	967
Tobacco products.....	550	535	582	536	509	486	2,580	2,589	2,569	2,711	2,739	2,447
Textile mill products.....	2,769	2,816	2,793	2,944	2,785	2,687	4,734	4,675	4,707	4,840	4,700	4,284
Paper and allied products, total.....	3,079	3,067	3,009	3,206	3,125	2,652	3,472	3,403	3,325	3,462	3,387	2,906
Pulp, paper, etc.....	1,349	1,312	1,298	1,409	1,327	1,122	1,221	1,209	1,156	1,222	1,210	1,036
Paperboard containers.....	784	799	803	801	794	711	1,005	985	969	1,002	976	853
All other paper containers..	946	956	908	996	1,004	819	1,246	1,209	1,200	1,238	1,201	1,017
Chemicals and allied products, total.....	6,518	6,315	6,127	6,816	6,452	5,741	7,683	7,563	7,263	7,779	7,670	7,048
Industrial chemicals, except pigments.....	1,984	1,888	1,817	2,052	1,954	1,619	2,118	2,076	2,012	2,128	2,111	1,975
Drugs, soap, and toiletries.	1,663	1,571	1,551	1,701	1,632	1,528	2,517	2,538	2,418	2,525	2,530	2,196
Petroleum and coal products...	4,257	4,077	3,746	4,229	4,173	2,675	2,947	2,868	2,731	2,882	2,818	2,222
Rubber and plastics products, n.e.c.....	1,829	1,819	1,830	1,922	1,842	1,766	2,785	2,742	2,702	2,848	2,784	2,451
All other nondurable goods industries.....	5,758	5,583	5,546	5,902	5,705	5,476	8,232	8,275	8,094	8,176	8,199	7,371

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Mar. 1974 ^p	Feb. 1974 ^r	Jan. 1974	Mar. 1974 ^p	Feb. 1974 ^r	Mar. 1973	Mar. 1974 ^p	Feb. 1974 ^r	Jan. 1974	Mar. 1974 ^p	Feb. 1974 ^r	Mar. 1973
All manufacturing industries:												
Total.....	79,587	80,017	79,077	82,641	82,393	76,638	121,100	119,819	117,677	123,693	121,764	94,583
Total, excluding transportation.....	71,109	70,305	68,794	74,244	72,060	65,210	88,486	86,992	85,398	90,999	88,799	67,114
Durable goods industries, total.	42,124	43,157	42,453	45,111	45,071	43,926	116,061	114,804	112,616	118,565	116,727	90,020
Primary metals, total.....	6,979	6,624	5,956	7,881	7,839	7,338	13,775	13,773	14,033	15,933	15,522	10,978
Blast furnaces, steel mills.	3,123	2,863	2,037	3,760	3,797	4,098	8,132	8,401	8,701	9,986	9,897	7,324
Nonferrous metals.....	2,746	2,729	2,899	2,937	2,965	2,290	3,167	3,058	3,106	3,411	3,269	2,388
Fabricated metal products.....	5,129	5,410	5,144	5,339	5,298	4,719	16,397	16,073	15,486	16,467	16,016	11,568
Machinery, except electrical, total.....	8,005	7,427	7,087	8,623	7,763	6,932	24,170	23,156	22,438	24,358	23,315	16,555
Engines and turbines.....	980	694	597	1,078	664	595	6,449	6,042	5,847	6,452	6,049	4,813
Construction, mining, and material handling equipment.	1,502	1,350	1,402	1,677	1,474	1,386	4,962	4,775	4,641	4,997	4,737	3,174
Metalworking machinery.....	559	507	414	602	517	498	2,229	2,167	2,106	2,198	2,152	1,383
General industrial machinery.	764	625	665	794	688	549	2,468	2,340	2,321	2,545	2,412	1,664
Electrical machinery, total...	5,636	6,180	6,269	5,797	6,133	5,854	21,102	21,018	20,459	21,003	20,901	16,780
Electrical transmission and distribution equipment and industrial apparatus.....	1,069	1,245	1,310	1,156	1,323	1,145	6,051	6,022	5,837	6,073	6,014	4,551
Household appliances.....	782	740	726	856	728	733	117	110	113	126	112	146
Radio and TV.....	532	532	554	504	524	486	582	604	667	554	569	649
Communication equipment.....	1,195	1,326	1,425	1,154	1,229	1,243	6,533	6,545	6,450	6,517	6,572	6,158
Transportation equipment, total.....	8,478	9,712	10,283	9,397	10,333	11,428	32,614	32,827	32,279	32,694	32,965	27,469
Aircraft, missiles, and parts.....	2,519	3,207	3,180	2,704	3,220	2,819	20,113	20,161	19,858	20,028	20,194	18,553
Shipbuilding and railroad equipment.....	251	644	808	358	700	782	7,866	8,029	7,787	7,932	8,002	5,440
All other durable goods industries.....	7,897	7,804	7,714	8,074	7,705	7,655	8,003	7,957	7,921	8,110	8,008	6,670
Nondurable goods industries, total.....	37,463	36,860	36,624	38,530	37,322	32,712	5,039	5,015	5,061	5,128	5,037	4,563
Industries with unfilled orders.....	8,942	8,902	9,033	9,284	9,066	8,388	5,039	5,015	5,061	5,128	5,037	4,563
Industries without unfilled orders.....	28,521	27,958	27,591	29,246	28,256	24,324	-	-	-	-	-	-

- Represents zero.

^p Preliminary.^r Revised.¹ Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1974 ^P	Feb. 1974 ^r	Jan. 1974	Mar. 1974 ^P	Feb. 1974 ^r	Mar. 1973	Mar. 1974 ^P	Feb. 1974 ^r	Jan. 1974	Mar. 1974 ^P	Feb. 1974 ^r	Mar. 1973
	Shipments						Total inventories					
All manufacturing industries, total..	78,309	77,879	77,187	81,709	78,999	72,843	126,068	124,831	122,570	126,690	125,398	110,837
Durable goods industries, total.....	40,871	40,974	40,792	43,269	41,755	40,328	82,726	81,925	80,541	83,220	82,181	72,390
Nondurable goods industries, total.....	37,438	36,905	36,395	38,440	37,244	32,515	43,342	42,906	42,029	43,470	43,217	38,447
Industry groups arranged by market categories:												
Home goods and apparel.....	7,381	7,152	7,083	7,726	7,232	6,944	13,730	13,503	13,405	13,669	13,425	12,359
Consumer staples.....	15,290	15,167	15,267	15,482	15,083	13,684	16,564	16,456	16,131	16,536	16,678	14,552
Equipment and defense products, except automotive.....	10,929	11,017	10,807	11,766	11,292	10,156	32,731	32,238	31,572	32,955	32,374	28,267
Automotive equipment.....	6,240	6,424	6,792	6,922	6,945	8,357	7,201	7,307	7,399	7,369	7,501	6,416
Construction materials, supplies, and intermediate products.....	6,254	6,376	6,192	6,218	5,963	5,907	10,679	10,441	10,287	10,867	10,527	9,224
Other materials and supplies and intermediate products.....	32,215	31,743	31,046	33,595	32,484	27,795	45,163	44,886	43,776	45,294	44,894	40,019
Supplementary series: ²												
Household durable goods industries.....	3,303	3,236	3,132	3,430	3,219	3,077	6,706	6,537	6,352	6,654	6,489	5,740
Capital goods industries.....	12,638	12,770	12,516	13,484	13,118	11,859	36,731	36,205	35,553	36,892	36,234	31,822
Nondefense.....	10,958	11,106	10,900	11,823	11,505	10,212	30,761	30,368	29,874	30,921	30,418	26,490
Defense.....	1,680	1,664	1,616	1,661	1,613	1,647	5,970	5,837	5,679	5,971	5,816	5,332
	New orders						Unfilled orders					
All manufacturing industries, total..	79,587	80,017	79,077	83,641	82,393	76,638	121,100	119,819	117,677	123,693	121,764	94,583
Durable goods industries, total.....	42,124	43,157	42,453	45,111	45,071	43,926	116,061	114,804	112,616	118,565	116,727	90,020
Nondurable goods industries, total.....	37,463	36,860	36,624	38,530	37,322	32,712	5,039	5,015	5,061	5,128	5,037	4,563
Industry groups arranged by market categories:												
Home goods and apparel.....	7,435	7,062	7,135	7,768	7,206	7,010	2,900	2,852	2,949	2,836	2,808	2,510
Consumer staples.....	15,283	15,159	15,283	15,468	15,082	13,679						
Equipment and defense products, except automotive.....	11,557	11,968	12,224	12,451	12,241	11,532	59,479	58,851	57,895	59,793	59,147	47,594
Automotive equipment.....	6,237	6,429	6,882	6,887	6,960	8,391						
Construction materials, supplies, and intermediate products.....	6,421	6,779	6,539	6,587	6,382	6,301	15,083	14,917	14,512	15,153	14,783	10,891
Other materials and supplies and intermediate products.....	32,654	32,620	31,014	34,480	34,522	29,725	43,638	43,199	42,321	45,911	45,026	33,588
Supplementary series: ²												
Household durable goods industries.....	3,335	3,153	3,168	3,435	3,206	3,127	2,241	2,208	2,289	2,183	2,178	1,996
Capital goods industries.....	13,378	14,369	14,124	14,243	14,737	13,256	66,622	65,881	64,280	66,840	66,084	53,246
Nondefense.....	11,891	12,210	11,746	12,922	12,610	11,397	44,304	43,370	42,264	44,478	43,381	33,103
Defense.....	1,487	2,159	2,378	1,321	2,127	1,859	22,318	22,511	22,016	22,362	22,703	20,143

.During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. P Preliminary. R Revised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical /excluding farm machinery and equipment and machine shops, electrical machinery /excluding household appliances and electronic components/, and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1968-1973	
	Feb. 1974- Mar. 1974	Jan. 1974- Feb. 1974	Dec. 1973- Jan. 1974	3 months			12 months Mar. 1973- Mar. 1974	Average rise	Average decline
				Dec. 1973- Mar. 1974	Sept. 1973- Dec. 1973	June 1973- Sept. 1973			
Shipments:									
All manufacturing industries.....	+0.6	+0.9	+2.4	+1.3	+1.0	+0.7	+1.0	+1.3	-1.1
Durable goods industries, total.....	-0.3	+0.4	+1.5	+0.5	-0.1	+0.8	+0.6	+1.9	-1.5
Nondurable goods industries, total.....	+1.4	+1.4	+3.5	+2.1	+2.2	+0.5	+1.4	+1.1	-0.8
Total inventories:									
All manufacturing industries.....	+1.0	+1.8	+1.4	+1.4	+1.4	+0.9	+1.1	+0.6	-0.1
New orders:									
All manufacturing industries.....	-0.5	+1.2	+3.0	+1.2	+0.8	-0.1	+0.8	+1.7	-1.3
Durable goods industries, total.....	-2.4	+1.7	+2.2	+0.5	-0.5	-0.5	+0.3	+2.5	-2.1
Nondurable goods industries, total.....	+1.6	+0.6	+3.9	+2.0	+2.4	+0.5	+1.4	+1.1	+0.8
Unfilled orders:									
Durable goods industries, total.....	+1.1	+1.9	+1.5	+1.5	+2.0	+2.4	+2.3	+1.4	-1.0

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1974 ^P	Feb. 1974 ^r	Jan. 1974	Mar. 1974 ^P	Feb. 1974 ^r	Mar. 1973	Mar. 1974 ^P	Feb. 1974 ^r	Jan. 1974	Mar. 1974 ^P	Feb. 1974 ^r	Mar. 1973
	Total						Materials and supplies					
All manufacturing industries, total..	126,068	124,831	122,570	126,690	125,398	110,837	43,053	42,374	41,389	42,937	42,334	34,991
Durable goods industries, total.....	82,726	81,925	80,541	83,220	82,161	72,390	26,037	25,494	24,923	25,715	25,228	20,393
Stone, clay, and glass products.....	2,960	2,861	2,865	3,057	2,928	2,577	1,118	1,040	1,033	1,124	1,041	838
Primary metals.....	9,481	9,523	9,467	9,548	9,624	9,433	3,853	3,772	3,665	3,727	3,719	3,147
Machinery (electrical and nonelectrical)	30,813	30,421	29,770	30,941	30,430	25,863	8,967	8,742	8,523	8,947	8,704	6,827
Transportation equipment.....	18,481	18,460	18,339	18,636	18,590	16,765	3,740	3,842	3,886	3,767	3,835	3,132
All other durable goods industries.....	20,991	20,660	20,100	21,038	20,609	17,752	8,359	8,098	7,816	8,150	7,929	6,449
Nondurable goods industries, total.....	43,342	42,906	42,029	43,470	43,217	38,447	17,016	16,880	16,466	17,222	17,106	14,596
Chemicals and allied products.....	7,683	7,563	7,263	7,779	7,670	7,048	3,138	3,022	2,847	3,166	3,025	2,451
Petroleum and coal products.....	2,947	2,868	2,731	2,882	2,818	2,222	622	653	591	611	652	490
Rubber and plastics products, n.e.c.....	2,785	2,742	2,702	2,848	2,764	2,451	1,072	1,025	1,009	1,059	1,013	687
All other nondurable goods industries....	29,927	29,733	29,333	29,961	29,945	26,726	12,184	12,180	12,019	12,386	12,416	10,970
	Work in process						Finished goods					
All manufacturing industries, total..	43,956	43,687	42,843	44,297	43,882	39,404	39,059	38,770	38,338	39,456	39,182	36,442
Durable goods industries, total.....	37,289	36,942	36,285	37,636	37,138	33,364	19,400	19,489	19,333	19,869	19,815	18,633
Stone, clay, and glass products.....	386	393	389	418	403	376	1,456	1,428	1,443	1,515	1,484	1,363
Primary metals.....	3,425	3,434	3,478	3,507	3,510	3,534	2,203	2,317	2,324	2,314	2,395	2,752
Machinery (electrical and nonelectrical)	14,197	13,985	13,621	14,259	14,018	11,765	7,649	7,694	7,626	7,735	7,708	7,271
Transportation equipment.....	13,090	13,001	12,818	13,202	13,068	12,233	1,651	1,617	1,635	1,667	1,687	1,400
All other durable goods industries.....	6,191	6,129	5,979	6,250	6,139	5,456	6,441	6,433	6,305	6,638	6,541	5,847
Nondurable goods industries, total.....	6,667	6,745	6,558	6,661	6,744	6,040	19,659	19,281	19,005	19,587	19,367	17,809
Chemicals and allied products.....	1,235	1,232	1,118	1,247	1,245	1,093	3,310	3,309	3,298	3,366	3,400	3,504
Petroleum and coal products.....	787	732	696	784	716	497	1,538	1,483	1,444	1,487	1,450	1,235
Rubber and plastics products, n.e.c.....	434	444	433	437	445	399	1,279	1,273	1,260	1,352	1,326	1,365
All other nondurable goods industries....	4,211	4,337	4,311	4,193	4,338	4,051	13,532	13,216	13,003	13,382	13,191	11,705

^PPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data¹)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Mar. 1974 ^p	Feb. 1974 ^r	Jan. 1974	Mar. 1973	Mar. 1974 ^p	Feb. 1974 ^r	Jan. 1974	Mar. 1973
All manufacturing industries, total.....	1.61	1.60	1.59	1.58	2.65	2.62	2.61	2.25
Durable goods industries, total.....	2.02	2.00	1.97	1.89	3.15	3.12	3.10	2.66
Stone, clay, and glass products.....	1.38	1.33	1.35	1.21	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.36	1.38	1.40	1.66	1.97	2.00	2.07	1.68
Fabricated metals.....	1.95	1.92	1.89	1.89	3.87	3.75	3.63	2.95
Machinery, except electrical.....	2.54	2.59	2.56	2.55	3.46	3.45	3.37	2.82
Electrical machinery.....	2.35	2.32	2.31	2.10	3.80	3.74	3.70	3.23
Transportation equipment.....	2.13	2.01	1.94	1.69	5.93	5.64	5.60	5.05
Instruments and related products.....	2.81	2.80	2.70	2.28	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.16	1.16	1.15	1.21	0.57	0.56	0.57	0.55
Food and kindred products.....	0.86	0.85	0.83	0.90	(X)	(X)	(X)	(X)
Tobacco products.....	4.69	4.84	4.41	4.67	(X)	(X)	(X)	(X)
Textile mill products.....	1.71	1.66	1.69	1.66	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.13	1.11	1.11	1.14	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.18	1.20	1.19	1.27	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.69	0.70	0.73	0.84	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.52	1.51	1.48	1.43	(X)	(X)	(X)	(X)

(NA) Not available. ^pPreliminary. ^rRevised. (X) Not applicable.¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this



definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

